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**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY**

In re:	Chapter 11
BED BATH & BEYOND, INC., <i>et al.</i> ,	Case No. 23-13359 (VFP)
Debtors. ¹	(Jointly Administered)

**FEDERAL HEATH SIGN COMPANY LLC'S LIMITED OBJECTION TO
NOTICE TO CONTRACT PARTIES TO POTENTIALLY ASSUMED
EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

Federal Heath Sign Company LLC ("Federal Heath"), by and through its undersigned counsel, hereby submits this limited objection (the "Objection") to the *Notice to Contract Parties to Potentially Assumed Executory Contracts and Unexpired Leases* (the "Notice") (ECF No. 714). In support of the Objection, Federal Heath states as follows:

BACKGROUND

1. Federal Heath sold goods and provided services to the Debtors² relating to exterior and interior signage and maintenance for Debtors' store locations.

¹ The last four digits of Debtor Bed Bath & Beyond Inc.'s tax identification number are 0488. A complete list of the Debtors in these chapter 11 cases and each such Debtor's tax identification number may be obtained on the website of the Debtors' claims and noticing agent at <https://restructuring.ra.kroll.com/bbby>.

2. Prior to the bankruptcy filing, Federal Heath recorded mechanics' liens on certain of Debtors' leasehold interests, including a mechanic's liens recorded against Bed Bath & Beyond Inc.'s leasehold interests in the premises at 96-05 Queens Boulevard, Rego Park, NY (the "Rego Park Leasehold") in the amount of \$77,560.54 and the premises at 2848 NW 63rd Street, Oklahoma City, OK (the "63rd Street Leasehold") in the amount of \$44,371.80. A true and correct copy of Federal Heath's recorded mechanic's liens are attached hereto as Group Exhibit 1.

3. The Notice identifies cure amounts for the Rego Park Leasehold and 63rd Street Leasehold of \$14,341.09 and \$0.00, respectively.

LIMITED OBJECTION

4. Federal Heath objects to the Notice because the proposed cure amounts do not include payment of Federal Heath's mechanic's liens nor has Federal Heath been provided with adequate protection for the sale of the leasehold interests free and clear of its mechanic's liens.

5. The Debtors cannot assume or assign these leasehold interests unless it first cures all defaults, which would include the recording of a mechanic's lien. *See* 11 U.S.C. § 365(b)(1)(A). Furthermore, the Debtors cannot sell the leasehold interests free and clear under section 363(f) without providing Federal Heath adequate protection. *See* 11 U.S.C. § 363(e) and (f).

6. Accordingly, Federal Heath objects to the Notice unless the Debtors agree to satisfy Federal Heath's mechanic's liens as part of the cure costs on account of its validly filed mechanic's lien or otherwise provide appropriate adequate protection to Federal Heath for the extinguishment of its liens.

² Capitalized terms not defined in this Objection shall have the meaning ascribed to them in the Motion.

Dated: June 26, 2023

SMITH GAMBRELL & RUSSELL

By: /s/ Clayton D. Harvey
One of Its Attorneys

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- AND -

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Counsel for Federal Heath Sign Company LLC

CERTIFICATE OF SERVICE

I, Clayton D. Harvey, hereby certify that on June 26, 2023, I caused a true and correct copy of the foregoing *Federal Heath Sign Company LLC's Limited Objection to Notice to Contract Parties to Potentially Assumed Executory Contracts and Unexpired Leases*, to be filed with the Court and served electronically through the Court's ECF System.

/s/ Clayton D. Harvey